



Environmental Services Division
Energy and Waste Management Bureau

For Immediate Release
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October 16, 2007

Crude Prices Reach Record Highs and Have Little Effect on Gasoline Prices

Crude oil prices have reached record highs in October, cumulating on October 16th at \$87.43 a barrel of West Texas Cushing Sweet Crude Oil. Even with the record crude oil prices in October, there has been little effect on the retail price of gasoline in Iowa. Typically Iowa's gasoline prices tend to decrease in October. But 2007 has not been a typical year.

“With the switch from summer gasoline to cheaper winter gasoline, less fuel demand, and high refinery output, we can usually count on gas prices dropping in October,” said Brian Crowe, an Iowa Department of Natural Resources Energy Analyst. “However, the increased cost of crude has allowed for a continuation of high retail prices. Not only have we not seen prices drop this Fall, but if crude oil goes above \$90 a barrel, we will see gasoline prices go even higher.”

Gasoline prices in Iowa are averaging \$2.63 per gallon of 10 percent ethanol blended mid-grade gasoline in October. That is a 6 percent decrease from the average price in September of \$2.80 per gallon of the same blend, but \$0.55 higher than the price of \$2.08 at this time last year. Prices in Iowa are sixteen cents below the national average price of gasoline at \$2.79 per gallon.

October crude oil prices have climbed to record highs and have reached \$87.43 for West Texas Cushing, light sweet crude, a 52 percent increase from \$57.66 price one year ago. Crude oil price futures prices have reached record highs as continued speculation about turmoil in the Middle East leads to doubts about crude oil availability.

Diesel fuel in Iowa currently costs \$3.08 per gallon, \$0.05 higher than the September price of \$3.03 per gallon. Iowa diesel is up \$0.58 from the \$2.50 price last year at this time. Nationally, diesel fuel costs \$3.03 per gallon. Prices in the Midwest are slightly higher as supply issues continue for ultra-low sulfur diesel. Diesel demand has increased in October to 4.5 million barrels a day, up 3.3 percent from last year. Diesel demand always spikes in Fall due to the crop harvest.

On October 15th, natural gas was trading at \$7.04/MMBtu, \$0.93 higher than the price of \$6.11/MMBtu one year ago. The October price increase comes after significant stock build-up in September was not sustained. Nationally, natural gas stocks are up 2 percent over last year, and 7.6 percent over the five year average.

A survey completed by the Iowa Department of Natural Resources on October 16, 2007 indicated that the average retail price of heating oil in Iowa was \$2.75 per gallon, \$0.04 higher than last month, and \$0.55 higher than the price of heating oil at this time last year, a 25 percent increase. The same survey found that propane is selling for record prices in Iowa, an average of \$1.73 per gallon across the state, \$0.20 higher than a month ago, and \$0.27 higher than the price at this time last year, an 18 percent increase.

10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

Self-Serve Ethanol	10/16/07	9/17/07	Difference
Ames	\$2.58	\$2.79	-\$0.21
Cedar Rapids	\$2.64	\$2.85	-\$0.21
Council Bluffs	\$2.53	\$2.59	-\$0.06
Davenport	\$2.56	\$2.81	-\$0.25
Des Moines	\$2.60	\$2.63	-\$0.03
Dubuque	\$2.61	\$2.63	-\$0.02
Fort Dodge	\$2.55	\$2.90	-\$0.35
Iowa City	\$2.66	\$2.91	-\$0.25
Sioux City	\$2.61	\$2.88	-\$0.27
Waterloo	\$2.61	\$2.76	-\$0.15
Webster City	\$2.68	\$2.92	-\$0.24
Average Metro Price	\$2.63	\$2.80	-\$0.17

Source: Oil Price Information Service, www.opisnet.com

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	10/16/07	9/17/07	Difference
Regular Unleaded with 10% Ethanol	\$2.63	\$2.80	-\$0.17
Regular Unleaded	\$2.67	\$2.82	-\$0.15
Premium Unleaded	\$2.78	\$2.87	-\$0.09
Diesel	\$3.08	\$3.03	+\$0.05

Source: Oil Price Information Service, www.opisnet.com

Heating Fuels Survey

Heating Fuel Type	10/15/07	9/18/07	Difference
Natural Gas	7.04/MMBtu	\$6.35/MMBtu	+\$0.69/MMBtu
Propane	\$1.73	\$1.67	+\$0.06
#2 Heating Oil	\$2.75	\$2.71	+\$0.04

Sources: Wall Street Journal, Iowa Department of Natural Resources